

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

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OFFICE OF THE SECRETARY

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Special Services Fees and Classifications) Docket No. MC96-3

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS W. ASHLEY LYONS
(OCA/USPS-T1-20-22)
(July 23, 1996)

Pursuant to sections 25 and 26 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA Interrogatories 1-4 to the United States Postal Service dated June 19, 1996, are hereby incorporated by reference.

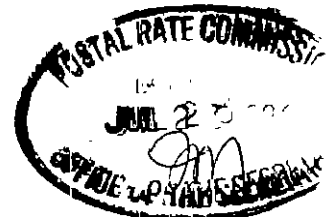
Respectfully submitted,

Gail Willette

GAIL WILLETTE
Director
Office of the Consumer Advocate

Shelley Dreifuss

SHELLEY DREIFUSS
Attorney



OCA/USPS-T1-20. Your testimony at 2 states,

[W]e have reviewed the service offerings themselves to see what improvements could be made to make them more useful to the customer, and both easier to administer and understand. For example, the Postal Service has clarified customers' choices for postal cards by creating a special fee that separates the cost of the mailpiece from the postage.

- a. Please explain how the special fee for postal cards makes the service offering more useful to the customer.
- b. Please explain for whom the special fee for a postal card makes the service offering easier to administer.
- c. Please explain how the special fee for a postal card makes the service offering easier to administer.

OCA/USPS-T1-21. Your testimony at 6 states,

In the interest of mitigating the impact of general increases on its customers, the Postal Service would like to moderate the pace toward the eventual need to increase overall revenues as a result of rising cost levels.

Your testimony at 7 states,

The Postal Service has chosen to base its proposals on estimates for a FY 1996 test period projected by rolling forward a FY 1995 base year. In electing FY 1996 as its test period, the Postal Service has, as in Docket No. R94-1, chosen a moderate basis that conforms to the Commission's rules requiring a fiscal test year beginning no more than 24 months after filing.

Your testimony at 20 states,

In my opinion, given the new information we are providing in this docket, including the analysis of the rate and classification criteria by witness Needham, the new cost coverages are reasonable, and consistent with the systemwide Docket No. R94-1 cost coverage of 157 percent.

- a. Do you believe that the R94-1 systemwide cost coverage of 157 percent is something that all future rate and classification cases should meet?
- b. Given that the Postal Service chose to update the Docket No. R94-1, FY 1996 test year data, please explain why you believe it is still appropriate to assume that the R94-1 systemwide cost coverage of 157 percent remains appropriate.


OCA/USPS-T1-22. The following interrogatory refers to exhibit A, of your testimony. Each special service initiative except stamped cards has had "Total Operating Revenues" and "Total Expenses" identified.

- a. Please identify the "Total Expenses" associated with the \$8.426 million stamped card revenue shown. If no before rate expenses are identified, please explain.
- b. If the stamped card expenses referenced in part a of this interrogatory are included elsewhere, please separately identify those costs. Include in your response cites for

all numbers referenced, the derivation of each number, and copies of all source documents not previously provided.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 3.B(3) of the special rules of practice.


SHELLEY DREIFUSS
Attorney

Washington, DC 20268-0001
July 23, 1996